

FISCAL NOTE

SB 4004 - HB 3957

February 25, 2008

SUMMARY OF BILL: Authorizes county clerks, or city tax collectors, to retain agents for assisting such clerks or tax collectors in business tax collection and enforcement. Changes requirement that any business tax credits involving paid property taxes be applicable only to the taxpayer's final tax return. Authorizes county clerks or city tax collectors to collect delinquent business taxes even if such taxes have been delinquent for more than six months.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Exceeds \$100,000

Increase Local Revenue – Exceeds \$100,000

Increase Local Expenditures – Exceeds \$100,000/Permissive

Assumptions:

- Pursuant to Tenn. Code. Ann. § 67-4-724(a)(2), business tax revenue attributable to the 2002 business tax increase (Public Acts 2002, Chapter 856) is for state purposes only.
- Business tax revenue attributable to rates established prior to 2002 is apportioned to the state and local governments.
- According to the Department of Revenue, this bill could cause a diversion of delinquent business tax revenue from the State Treasury to local governments because determining what portion of the delinquent business tax is attributable to pre-2002 rates and what portion is attributable to post-2002 rates could prove especially problematic. As a result, it is reasonably estimated that state revenue will decrease by an unknown amount exceeding \$100,000 and local government revenue will increase by an unknown amount exceeding \$100,000 per year.
- There would be an increase of expenditures to local governments if any were to retain agents for assisting in business tax collection and enforcement. It is unknown how many local governments would retain such agents and how much they would be paid for their services.

However, it is reasonably estimated that such permissive expenditures would increase by an unknown amount exceeding \$100,000 statewide.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc